

Approved: October 24, 2013

Posted: October 25, 2013



Town Council Meeting Minutes

Thursday, October 10, 2013, at 7:00 PM, in the Matthew Thornton Room

Chairman Rothhaus called the meeting of the Town Council to order at 7:08 p.m. Present at the meeting were Vice Chairman Yakuboff, Councilor Boyd, Councilor Dwyer (arrived at 7:09 p.m.), Councilor Harrington, Councilor Koenig (arrived at 7:12 p.m.), Councilor Mahon (arrived at 7:09 p.m.), Town Manager Eileen Cabanel, and Finance Director Paul Micali.

Pledge of Allegiance

Life Scout Gregory Gilbert led in the Pledge of Allegiance.

Announcements

The Town Council will conduct a non-public meeting on Thursday, October 17th and a regular meeting on Thursday, October 24th at 7:00 p.m. in the Matthew Thornton Room.

After a brief discussion around the subject matter for a joint meeting with the School Board and the work ahead of the Council in relation to the FY15 budget, agreement was reached to postpone scheduling of a joint meeting until the conclusion of the budget season.

The Senior Information Fair is scheduled for October 22nd from 9:00-11:30 am. Many organizations that offer services to senior citizens will be available to answer questions and provide information. The Fair is being held at the Adult Community Center at 4 Church Street. Everyone is welcome to attend.

The 21st Annual Halloween Party, sponsored by the Parks & Recreation and Police Departments will be held at Wasserman Park on Friday, October 25th from 5:00-8:00 p.m. This event will be filled with free activities including Halloween games for children, music, pumpkin decorating, lighted carved pumpkin display sponsored by the Merrimack Girl Scouts Troops, costume contest, a Haunted House sponsored by Merrimack High School's FIRST Robotics Team, candy, healthy choices, and plenty of delicious refreshments for everyone.

The auction for 19 Cabot Road has been scheduled for 10:00 a.m. on Saturday, October 26th. All interested parties can contact the Town Manager's office at 424-2331 for additional information.

National Drug Take Back Day is October 26th. Drop off all unwanted prescription medication from 10:00 a.m.–2:00 p.m. at the Merrimack Police Department for proper disposal. Don't forget there is a drop box in the Police Department lobby for disposal of all prescription drugs, which is open 24 hours a day.

Merrimack's "Trick-or-Treat" hours are set for 6:00-8:00 p.m. on October 31st. The Merrimack Police Department has posted Halloween safety tips on our website under press releases.

The Skate Park on O'Gara Drive will be closing for the season on Monday, November 4th. The Parks & Recreation Department and the Merrimack Chamber of Commerce are pleased to announce that the annual Holiday Parade and Tree Lighting Ceremony will take place on Sunday, December 1st, beginning at 3:00 p.m.

There being no objection, the Council went out of the regular order of business to take up the first item under New Business.

1. Eagle Scout Project Presentation

Submitted by Town Manager Eileen Cabanel

Life Scout Gregory Gilbert will present the Town Council with his proposed Eagle Scout project which involves constructing and installing an information kiosk at boat ramp in Veterans Park, as well as installing 2 small flower beds and picking up trash/debris around the boat launch.

Life Scout Gregory Gilbert spoke of his proposed Eagle Scout project, which includes the construction of an information kiosk in Veterans Park. He has begun to put together plans for fundraising efforts and the types of information which will be placed in the kiosk.

Councilor Boyd stated his appreciation for the format used by scouts in their proposals, and thanked Scout Gilbert for his. He spoke of the Milfoil situation at Naticook Lake and ongoing discussions with regard to educating the community-at-large of the issue and different means of management. He suggested Scout Gilbert reach out to the Homeowner's Association, which may provide volunteer assistance or contributions towards project cost. When asked, Scout Gilbert stated Unit 21 is out of Hudson. He grew up in Hudson and moved to Merrimack staying with his Hudson group. It was his choice to do his Eagle Scout project in Merrimack.

MOTION made by Councilor Boyd and seconded by Councilor Yakuboff that the Town Council approve Life Scout Gregory Gilbert's proposed Eagle Scout project, which involves the construction and installation of an informational kiosk at the boat ramp at Veterans Park at Naticook Lake as well as installing 2 flower beds and picking up trash/debris around the boat launch, and that he coordinate with the Town Manager or Finance Office if anything requires signature. MOTION CARRIED 7-0-0

Comments from the Press and Public - None

Recognitions, Resignations and Retirements - None

Appointments

1. Annual Review with the Town Center Committee

Submitted by Town Center Committee Chairman Peter Flood

Per Town of Merrimack Charter Section 6-6, at least annually, there should be an annual review with the Town Center Committee. This agenda item is to highlight the committee's significant actions, current projects, anticipated actions, and to raise any concerns the Council should know or could act on.

Nelson Disco, Town Center Committee, informed the Council the Safe Routes to School Program Sub-Committee, chaired by Tracy Bull, SAU26, acquired a grant, which funded a study done by the Nashua Regional Planning Commission (NRPC) to look at obstructions and ways around obstructions to Safe Routes to School walking and/or bicycle routes at the Masticola complex. These routes will provide opportunities to children in grades Kindergarten through 6. Surveys have been conducted with parents of children in this age group, the data from which is being compiled. All of this fits within the iTRaC plan for the Town, which identified sidewalks in the center and the school district. The plan is expected to be finalized shortly. If successful the opportunity will exist to apply for additional funds to implement one or more of the suggestions within the Plan.

It was noted Tracy Bull will be stepping aside from the committee shortly. Her position will be filled by Christopher Ortega, Chairman, Merrimack School Board.

Another major effort of the Town Center Committee was to look at a permanent public trail from Wildcat falls along the northern side of the Souhegan River east to Watson Park. That effort has been headed up by Debra Huffman with assistance from Andy Powell. It involved the purchase of a piece of land along the Souhegan, which opens the area for the trail to go through completely. An easement is being worked out to allow for passage over school district property. The trail will eventually include a bog walk bridge adjacent to the fire station to cross a bit of and connect into Watson Park without having to walk on Route 3 itself. The National Park Service has helped some with this effort. Although temporarily furloughed, Ms. Lelia Mellen has been helpful and supportive, and continues to seek out opportunities for funding.

Mr. Pat McGrath has been studying the possibility of permanent signage, which would provide the history of the trail system, especially the footbridge under Merrill's Marauders Bridge. The bridge honors General Merrill as a hero of WWII. The committee has received a good deal of assistance from the State, which has archives on General Merrill. He noted the numerous individuals who assisted in providing the information that forms the story to be included on the signage; Peter Giacapuzzi, Marge Chiafery, Phil DeGregorio, Peter Duke, Paul Belfiore, and Bill Wilkes.

Mr. Disco noted, throughout 2013, he has chaired a sub-committee of the Town Center Committee, which was tasked to investigate what needs to be done to extend the sidewalk along the West side of Route 3 North of the Library as far as Baboosic Brook. The immediate apparent obstacle was the intersection of Church Street and Route 3; given its current configuration and safety concerns. The logical and economical solution to this problem appeared to be to close off the Church Street/Route 3 intersection, dead-ending Church Street at the top of the hill.

Over the course of the year, committee members visited all stakeholders that could be identified, the Public Works Department, Fire Department, Police Department, Highway Safety Committee, the Senior Citizens Club, the Library Trustees, the John O'Leary Adult Community Center, and the Congregational Church Deacons. Initial discussions with these groups indicated agreement that the intersection was a dangerous one and closing it might be in the best interest of public safety.

Letters were sent to each of the property owners asking for input. Several of the abutters responded with issues that exist on Church Street at the present time relating to traffic and parking on the street. Public input was provided to the Council at its September 12th meeting. Subsequent to that, the Town Manager set up a meeting with abutters to discuss their issues with Kyle Fox, Deputy Director/Town Engineer. The issues raised at that meeting were similar to those brought to the attention of the Council. At this time the work of the sub-committee is essentially complete and recommendations will be forwarded in the near future.

Mr. Disco identified the members of the Town Center Committee and stated there to be an opening for a citizen-at-large as well as his understanding Ms. Jackie Flood has expressed an interest in applying for the position.

Councilor Mahon commented the Department of Resources and Economic Development (DRED) has funding for trails. He is unaware of requirements associated with the funding; however, has seen recent references to the availability of those funds from the State. Councilor Boyd stated he has reached out to the Commissioner of DRED, who is personally known to him, to see if he would be willing to come and present at a meeting. He will follow-up with him in the next week, and offered to forward along to him Mr. Disco's name and contact information. Councilor Dwyer spoke of funds available in the Conservation Fund and suggested the Commission might have an interest in projects such as the bog

bridge and other items associated with the trail. Mr. Disco noted the Commission donated funds for the land purchase made last year.

When asked what would be the project of greatest importance to him personally, Mr. Disco stated the sidewalk along Route 3 has been on his list for a long time. One of the key obstacles is the crossing of Baboosic Brook. It is hoped when that bridge comes up for replacement it will have a pedestrian way. He spoke highly of the Safe Routes to School Program. Councilor Boyd acknowledged the yeoman's work done by Tracy Bull for the benefit of the community.

There being no objection, the Council went out of the regular order of business to take up Item #2 under New Business.

2. Souhegan River Walk Easement

Submitted by Town Manager Eileen Cabanel

The Town Council to discuss the details of an easement with the School District for the Souhegan River Trail, which was identified in the Merrimack Town Center Pedestrian and Trail Master Plan as a critical issue and tasked to the Town Center Committee.

Debra Huffman, Town Center Committee, noted the information provided in advance of the meeting relative to language for the Trail Easement. The trail would go from Watson Park to Wildcat Falls along the northern edge of the Souhegan River. She displayed a map identifying the location of the proposed trail; Watson Park, under Route 3, through an old Sluiceway, across a bog bridge, along the northern edge, through school owned property (easement), under the F.E. Everett Turnpike (pedestrian bridge), through a parcel currently owned by the NHDOT (burrow pit), which the Conservation Commission is seeking to purchase (would expand Wildcat Falls by more than 1/3 and would ensure trails are properly maintained and wetlands protected). If unable to purchase, an easement would be sought. It is believed there would be no difficulty gaining an easement. Once beyond the NHDOT owned land users of the trail would enter the Wildcat Falls property.

Not much cost is involved beyond the purchase of the NHDOT property. The terrain is suitable to trail construction, and an Eagle Scout is already lined up to address a segment of the trail (bridge) on the school owned property. The area near Watson Park will be a tricky one. The National Park Service is involved in trying to get landscape architects to draw up plans and schemes for the entranceway into the town center. Ms. Huffman requested the Council review the easement and provide feedback. She noted the language would be sent to legal counsel for review.

Chairman Rothhaus stated he was unaware the Conservation Commission was seeking to purchase the NHDOT property, and stated his opinion the State should donate the land to be conserved. Ms. Huffman noted no dollar figures have been discussed simply a desire to acquire. It was noted Deputy Director Fox has contacted the NHDOT to discuss the property and the potential for an easement across the property. NHDOT indicated an interest in transferring the property to the Town in some fashion. In order to get that conversation started, the letter was written.

Town Manager Cabanel stated a desire to be assured the Council is in agreement with Attorney Upton being asked to review the document. Chairman Rothhaus stated his desire for that to occur.

Public Hearing

1.

1. Homeland Security Statewide Portable Radio Grant

Submitted by Lieutenant Paul Trepaney

The Town Council will hold a public hearing to consider the acceptance and authorization of state of the art portable radios that promote interoperability and future technology incorporation for the Merrimack Police Department. The radios are valued at approximately \$7,075.68 and made available through the State of New Hampshire Grant Management Unit's Local Law Enforcement Radio Working Group and purchased with unexpended Homeland Security grant funds, pursuant to RSA 31:95-e and Charter Article 8-15.

Chairman Rothhaus opened the public hearing at 7:55 p.m.

Lieutenant Paul Trepaney remarked due to the availability of unexpended Homeland Security funds, the State Grant Management Unit decided to target the promotion of interoperability and technology enhancement for portable radios statewide to all law enforcement agencies. The Town has already received 25 units. The current request is the final phase of this project; the award of an additional two (2) portable radios.

Vice Chairman Yakuboff questioned whether the funds were State or Federal. Lt. Trepaney responded the funds are Federal Homeland Security funds, which were awarded to the State. Vice Chairman Yakuboff questioned whether the Government shutdown would have an impact on the project. Lt. Trepaney stated the funds are already in the State coffers; unexpended 2010 funds.

Chairman Rothhaus opened the floor for public input. No one from the public addressed the Council.

Chairman Rothhaus closed the public hearing at 7:59 p.m.

MOTION made by Councilor Dwyer and seconded by Councilor Yakuboff to accept the Homeland Security Statewide Portable Radio Grant in the amount of Seven Thousand Seventy Five Dollars and Sixty Eight Cents (\$7,075.68) from this Local Law Enforcement Radio Working Group and purchased with unexpended Homeland Security grant funds, pursuant to RSA 31:95-e and Charter Article 8-15, and authorize the Town Manager to sign any appropriate documents. MOTION CARRIED 7-0-0

2. Chapter 193 – Welfare Guidelines

Submitted by Town Councilor Tom Mahon and Welfare Administrator Patricia Murphy

The Town Council will hold a public hearing to consider the recommended changes to Chapter 193 – Welfare Guidelines of the Merrimack Town Code, pursuant to Charter Article V, Section 5-3.

Chairman Rothhaus opened the public hearing at 8:00 p.m.

Patricia Murphy, Welfare Administrator, spoke of the presentation provided to the Council at its September 26, 2013 meeting, and noted the guidelines are reviewed by Town Council every five years, in accordance with the Charter. The guidelines and proposed changes were reviewed, by her, against model welfare guidelines, by Councilor Mahon, and by legal counsel.

Councilor Mahon requested the following amendments be made:

193-5 B1; delete the words “filled out and” following the words “the application” in the second to last sentence.

193-6 E1; insert the words “the Appellant’s” prior to the words “case file”.

193-6 F3; replace the word “this” with the words “the scope of the relief” in the last sentence.

193-7 E1; add the words “to the Applicant’s address on file” after the words “delivered or mailed” in the second sentence.

193-7 E5 (a); delete the word “so” between the words “shall” and “notify” in the last sentence.
193-7 E5 (e); add the words “within seven days” before the words “after the initial interview”.
193-7 F; add the word “the” after the words “deems safety or”.
193-8 A; replace the word “there” with the words “they are” after the words “residence in Merrimack”.
193-10 E6 (b); replace the word “of” with the word “for” before the words “minimum gallons” in the fourth paragraph.
193-10 F7; replace the word “Workmen” with the word “Worker’s”.
193-11 D; delete the words “Examples include.” at the end of the third paragraph.
193-11 E; underline the words “one time only” in the second sentence of the last paragraph.
193-11 F; add the word “eligible” after the words “are not” in the last sentence of the first paragraph.
193-12; delete the words “at The Last Rest Cemetery” in the first sentence of the last paragraph.
193-13 B; add the words “be used to” between the words “may” and “offset”.
193-15 A (3); add the word “the” between the words “will prompt” and “review” and again between the words “of” and “recipient’s eligibility”.

Chairman Rothhaus opened the floor for public input. No one from the public addressed the Council.

Chairman Rothhaus closed the public hearing at 8:42 p.m.

MOTION made by Councilor Boyd and seconded by Councilor Mahon to move to the Consent Agenda. MOTION CARRIED 7-0-0

Legislative Updates from State Representatives - None

Town Manager’s Report

The Police Department, in partnership with the Merrimack School District, will be conducting tactical training at the Schools throughout the month of October. There will be police activity signage at the schools during the training and advisories will be made via NIXLE prior to the training.

A new video surveillance system is now operational at the Transfer Station resident scrap metal drop-off area to help curb any theft of metal items.

Consent Agenda - None

Old Business

1. Appointment Policy for Boards, Committees and Commissions [Tabled at the September 26, 2013 Town Council Meeting]

Submitted by Town Councilor William W. Boyd III

The Town Council to consider the recommended changes to the Town of Merrimack’s Appointment Policy for Boards, Committees and Commissions.

Councilor Boyd thanked Councilor Mahon for dedicating a Sunday to providing significant feedback to one of the original drafts. He remarked the feedback provided was not only productive, but very enlightening. He stated his belief the final draft presented for consideration is clear and sets a good structure for the Council for how it goes about vetting appointments, allows community members to understand what the process entails, etc. He noted concerns raised by Chairman Rothhaus and Vice Chairman Yakuboff have also been addressed in the final draft.

Councilor Boyd publicly thanked Debra Huffman and State Representative Dick Barry for helping in the embryotic stages of the document. He also thanked Kristin Wardner for her assistance she provided throughout the process.

MOTION made by Councilor Yakuboff and seconded by Councilor Harrington to accept and approve the changes to the Town of Merrimack's Appointment Policy for Boards, Committees and Commissions

ON THE QUESTION

Vice Chairman Yakuboff remarked every member of the Council has had the opportunity to provide input. Councilors Boyd and Mahon have worked together to provide a well prepared document to the Council. Chairman Rothhaus remarked the biggest opportunity he had requested is to not have to interview candidates for committees such as the Heritage Committee and Town Center Committee; when they don't have sufficient members to form a quorum, individual(s) interested in volunteering should not have to wait 2-3 weeks to be interviewed and appointed.

Councilor Koenig requested clarification, and was informed the revised process simply eliminates the requirement for an interview; the candidate is still brought before the Council for appointment. Chairman Rothhaus used the example of Ms. Jackie Flood who expressed an interest in serving on the Town Center Committee a month ago. It was suggested the only boards that would require an interview process be undertaken would be the Planning Board, Zoning Board of Adjustment, and Conservation Commission.

Councilor Boyd noted in a situation such as a meeting of the Council being scheduled for Thursday and an interview process scheduled for the preceding Monday, the ability would exist to include on the Council's agenda the names of the individuals being interviewed. Although the Council may not have the desired backup, it would receive an announcement from the Interview Committee regarding the candidates, how the vetting process went, etc. The subsequent Council meeting would be when consideration would be given to the nomination(s). It allows the process to be open and transparent while providing the Council with a minimum of a two-week period to gather additional information, if desired.

MOTION CARRIED 7/0/0

New Business

3. New Hampshire Ten Year Transportation Plan

Submitted by Town Councilor Tom Mahon

The Town Council to review materials received at the Governor's Advisory Commission on Intermodal Transportation (GACIT) Hearing on October 2, 2013.

Councilor Mahon informed the Council of his attendance at the meeting during which the Ten-Year Highway Plan was discussed. In the document, are the projected projects the State will undertake, which are funded by Federal Highway Administration funds (\$150 million/year) and turnpike tolls. The question was raised of the toll plaza project for open-road tolling in Bedford (now \$18 million); the tapering of the lanes to accommodate that extends into Merrimack (likely ½ mile into Merrimack to widen the area). That is scheduled for the 2016 timeframe. Discussion took place around their being financed through toll increases (\$.25 at the 3 Merrimack exits and \$.50 at the Bedford/Hooksett exits). That is controlled by the Governor and Council, and the timeframe for the increase is not yet known. Councilor Mahon stated his presumption that proposal would be presented to the Governor and Council

sometime next year as the Plan will be submitted to the Legislature this session for them to conduct hearings and take final action on the ten-year plan.

Councilor Mahon noted his attendance the previous day at the Manchester Chamber of Commerce Economic Development seminar. He was able to speak with the Highway Commissioner, questioned him, and received confirmation the State is contemplating handing over Continental Boulevard to the Town. The Commissioner is attempting to eliminate the tolls at Exit 12. Should that occur, the Town would be gifted with Continental Boulevard from Spartan Drive out to 101A.

Councilor Dwyer stated he would view that as a good opportunity as the State would no longer be able to dictate what can take place on Town owned land on either side of the road. However, noted there would be a cost associated with maintenance. Councilor Mahon remarked some 5-6 years ago at a toll hearing the Representative from Bedford asked the question would you take over Continental Boulevard if we took the tolls out, and Councilor Mahon questioned the liability that would be assumed. At that time, the number provided by NHDOT was \$100,000/year spent on maintenance, plowing, etc. When he went back to them and said I need to know the figure, is the offer serious, the Chairman of the committee said some things that come across the table at the hearings aren't serious. Councilor Mahon noted another hearing is scheduled for October 17th in Milford. Hearings on the ten-year plan will take place during the next session. The Council should be represented at those hearings to ensure the Town's interests are being served.

Councilor Mahon stated he was informed by NHDOT they have been discussing the possibility of a commuter rate on the EasyPass, which might be 35 trips a month. He remarked that concept is one that has been around for the last 3-4 legislative sessions. Councilor Mahon stressed there is nothing in writing, and there is a lot of time between now and the end of the next session and now and when the Governor and Council consider raising the rates or including that discount.

Councilor Koenig questioned whether the Governor's Advisory Commission on Intermodal Transportation (GACIT) was presenting the Plan stating they were backing it. Councilor Mahon stated the purpose of the hearings was to receive public input. Most of the discussion was on 101. Councilor Koenig questioned why the Executive Councilors are members of the Commission presenting the Plan. Councilor Mahon stated that to be the way the hearing/review process was designed when the legislation was passed. Councilor Koenig questioned whether the implication is that the Executive Councilors are already accepting this as an appropriate plan. Councilor Mahon stated that not to be the case. He stated they would look at it, and based on the testimony provided, will put together what they feel the ten-year plan should look like. That will then go back to the Legislature for them to take action on/adopt.

Councilor Mahon remarked Exit 6 on 293 in Manchester will be redesigned (Amoskeag circle area), and discussion has taken place regarding the potential to move Exit 7 from Front Street north to the other side of the old Manchester landfill and Manchester Community College. The discussion revolved around the possibility of having the exit go toward Hackett Hill, which is an economic development area Manchester has been trying to do for 20 years. Goffstown now has an industrial area they want to get hooked up on that side.

Councilor Dwyer suggested, when actions start to occur over the next few years, the Council give consideration to a lawsuit. He stated a desire to see the aspects of the fund being raided, etc. argued, at whatever the cost, even if it goes the distance to the Supreme Court. He stated there has to be a point when the Town draws a line in the sand and fights to the bitter end.

Councilor Mahon stated the opportunity still exists to either submit a written opinion or provide input at a public hearing. Councilor Dwyer stated he personally will not attend any more hearings. He added, it

has been decades of abuse, which will never change until they are forced by the justice system to change.

4. 2013 Tax Rate Discussion

Submitted by Town Manager Eileen Cabanel and Finance Director Paul Micali

The Town Council to discuss the Department of Revenue's (DRA) decision to begin setting tax rates.

Paul Micali, Finance Director, informed the Council the DRA will begin setting the tax rate on October 22nd, which means they will be starting one week later than normal rather than three weeks later as originally believed. The November 7th date was a concern as it would not have provided adequate time to get tax bills out before having a Christmas due date. If the rate is set prior to October 31st, taxpayers will not see a difference from years past; bills will be due between the first week and the 14th of December. It takes about 10 days to get the bills printed, folded, sent to the mailer, and mailed off. State RSAs require a 30-day notice be provided to taxpayers.

There are three components that make up the tax rate setting; Town, school, and Merrimack Village District. The Merrimack Village District is an independent and sets its own rates; however, DRA requires submission of their information. The Town's forms were submitted at the end of September, the school submitted their revenue and expenditure forms this week. It is believed the Village District will complete submission shortly.

Town Manager Cabanel remarked she is aware there was considerable heartburn over where the school numbers would come in and the possibility of having to send out a supplemental bill. Director Micali responded, during the meeting, it was noted 2-3 school districts had not gotten their enrollment numbers into the State. DOE was contacting those districts directly. When asked, the DRA Commissioner stated he could not remember whether Merrimack was one of those towns, but he did not believe so. The DOE is utilizing a new formula, which requires enrollment figures be provided as of June 2013 rather than what would have previously been accepted/requested, e.g., enrollment figures as of end of school year 2012.

There will not be a supplemental bill. Figures need to be sent to the State so the State can perform their calculations. Those calculations are to be finalized towards the end of the week. The DRA will have one week to review the numbers and start setting the rates on October 22nd.

Director Micali noted he and Matt Shevenell, School District Business Administrator, will meet with the DRA to provide the Town's tax rate calculations for comparison with DRA calculations. Having an understanding of tax overlays, fund balance requirements, and State revenues, it is believed the Town's calculations will be within a penny of the State's tax rate calculation. Director Micali remarked in his nine years of setting the tax rate, he has been off a penny maybe twice.

Town Manager Cabanel stated the projected tax rate when the budget was passed was \$5.34 for the Town (including collective bargaining agreements), which was an increase of \$.20. The end result was \$5.29 for the Town from \$5.14 the prior year or a \$.15 increase. She spoke of the MS1 form, which comes from the Assessor's Office. The attempt is made to do some general projections on new construction value that might be achieved during the year; however, the desire is not to overestimate that value thereby allowing the tax rate to be higher than projected. It was expected the value would come in at \$16 million, and it actually came in at \$47 million, which includes an additional \$4 million for the mall, \$23 million for PSNH and \$4 million for new residential construction. The total estimated tax rate was proposed at \$24.05 (including school and county). It is looking more like \$23.88 at this time.

5. Direction for 2014/2015 Budget

Submitted by Town Manager Eileen Cabanel

To ask the Town Council to contemplate budget parameters for the 2014/2015 budget season which will be discussed at a future meeting.

Director Micali stated, at this point in the process, there are known costs and questionable costs. It is anticipated the Council will be provided with budget documentation by the first week in December.

Town Manager Cabanel informed the Council the Guaranteed Maximum Rate (GMR) for health insurance increase is anticipated to be provided on October 17th. If it comes in at 15%, for example, the rate would equate to an increase of \$450,000. There will not be an increase in the retirement contribution because that is set for two years. Increase in Property & Liability insurance; signed agreement with Primex not to exceed 9% (\$12,000), which is the level of increase which has been seen in recent years. Increase in Worker's Compensation; signed an agreement not to exceed 9% (\$26,000).

There are five (5) union contracts in the second year of the contract. There are no dollars that are coming for cost of living or wage increases; however, there are step increases in year two (lower than last year because there were a good many catch up steps for contracts that had expired). Increase in town valuation; there have been very large increases over the past few years related to actual new construction. This year it is believed there will be perhaps \$5 million coming in (Atrium Medical). Electrical rates increasing 10-15% (\$20,000) and natural gas rates increased by 20% (\$7,500). It appears vehicle fuel will increase somewhat (\$10,000).

There will be a decrease in revenues; the Town has enjoyed some large numbers for building permits over the past several years, and the attempt is to wean off of the unrealistic assumption that will continue. Land Use Tax Change numbers were very high as properties were taken out of current use. That will be decreased. Interest income will be decreased; cannot continue carrying a number not based on reality (has to continue to be reduced).

Town Manager Cabanel stated the potential for the tax increase to be \$.23. She reiterated the importance of understanding the GMR associated with health insurance costs.

It is necessary to take into consideration the highway garage bond and whether or not that passes; timeframe for issuance and when payments will come due. If issued in July 50% of the annual interest would be due six months later, six months beyond that 100% of the principal for that year plus the other 50% of annual interest. Director Micali added, if a bond is issued in December, the first 50% of the annual interest payment would not be due until July.

Town Manager Cabanel noted State revenues; rooms & meals tax usually does not experience much change; however, the Highway Block Grant can change at any time. Director Micali remarked last year when they passed the budget, the Legislature put back in the catch up provision up to \$5 million statewide. They take last year's rooms & meals tax and look at it for the coming fiscal year. If it is increased by \$5 million they apportion that throughout all towns throughout the State (up to \$5 million). That provision was put on a sabbatical in the last few budget cycles. Last year it was voted to be reinstated.

Town Manager Cabanel spoke of the one (1) outstanding union contract (out of contract since 2010). As each year goes by the contract becomes costlier to catch up with in terms of step increases. Discussions have taken place regarding the likelihood of passing a contract being decreased as the years pass. The Town has provided its proposal to AFSCME, which is being taken back to the membership. Town Manager Cabanel explained the AFSCME union represents Highway Department laborers.

Town Manager Cabanel commented one of the commitments made is to keep up with paving and continue funding the Capital Reserve Accounts. That needs to be kept in mind so that a placeholder is placed on those and not allowed to continue to slip at the expense of other increases.

Chairman Rothhaus questioned the impact that may result from the national healthcare. Town Manager Cabanel stated after becoming aware of the fact Manchester is paying a fee in the current year, she requested Director Micali look into the matter. He contacted the Health Trust and was told the Town is paying that fee in its rates. Director Micali stated, at present, the Town has three separate health insurance plans. The majority of the employees are on a Cadillac plan, e.g., above \$10,000 for a single plan and above the \$27,500 for a family plan. Town Manager Cabanel stated that to be the projected rate for 2018. He noted strides would be made with the union contract coming up in the 2015/2016 year when office visits and pharmaceutical co-pays are changed. There remains a great deal of work to be done to stay below the cost of Cadillac plans. Town Manager Cabanel stated it to be in the best interest of the Town as it would be charged a penalty of 40% of the increase. When asked, it was stated the employee has that amount identified as income on his/her W2. Placing that whole number on the W2s began last year.

Councilor Dwyer remarked his comments are geared toward more of a two-year budget plan. He is looking at about \$1.50 increase over the next 24 months. That is what he believes will be the reality. He spoke of the five approved contracts, and questioned whether there would be additional costs down the road, which are not necessarily seen at this time. Town Manager Cabanel responded that would not necessarily occur because included within the proposed budget is \$62,000 that represents a year's worth of step increases. That amount will be part of the base budget for the following year, which again would increase by \$62,000 or less.

Councilor Dwyer remarked if that is the case, his number could be high. However, it would not surprise him if the increase reached \$.50± this year. He noted the highway garage bond will have an impact. Town Manager Cabanel stated the peak year for associated costs would result in a \$.10 increase. Councilor Dwyer commented if the bond goes through based on \$3 million the approximate increase would be \$27/year on a \$300,000 home. He stated there to be some things he would like to see added to the budget, e.g., \$9,000 estimate for electricity to be brought to the Pavilion at Watson Park, funding necessary to raze the old dining hall building at Wasserman Park and the necessary roadway for a parking lot.

Town Manager Cabanel stated the \$.23 increase she spoke of is a high estimate. It does not decrease the current budget, it maintains it. Councilor Dwyer stated a level funded budget to be a goal; however, wishes to understand at what expense that would come. Chairman Rothhaus stated his suspicion the cost of a reduction would be manpower. Councilor Dwyer remarked he does not wish to think in terms of this year's budget because next year there will be another half million dollar increase. He remarked there comes a time when each public employee costs \$100,000 (\$60,000 or \$70,000 salary with benefits is \$100,000 per civil employee); there comes a point where the system will break. He remarked if there are 40 police officers perhaps the compliment of officers has to be 34, if there are 20 employees within the fire department, we may have to make due with 15. If things get out of control, probably not this year, then maybe the south fire station gets closed. There will be a budget number someday where it is over \$1.00 over three years. There will come a time when a radical change has to come.

Vice Chairman Yakuboff stated he finds it hard to meld together the Town and School as the school is a separate entity with regard to the budget. At some point in time the general public and homeowners have to realize if you want something it has to be paid for. Quality of life has associated costs. Until the general public says I don't want it as well as saying I want a decrease in the budget that is the reality. A

budget is created based upon expenses associated with the services provided. It is the job of the Council to provide its best plan of attack for moving the Town forward and keeping it a nice place to live. It is the decision of the taxpayers whether or not to accept the budget or make reductions. That decision has to be made understanding a reduction in cost equates to a reduction in services.

Councilor Dwyer remarked everything is going up, but unfortunately over the last almost two decades wages have not. When you have high unemployment wages don't increase. If the economy were healthy he would be more willing to go on with projects.

Town Manager Cabanel commented the Town's portion of the budget is 22%, and the Council can only be accountable for 22% of the overall budget.

Councilor Harrington remarked over the years she has been on the Board of Selectmen and Town Council, there has been a real tightening on personnel costs. Although not saying there could not be more tightening, there needs to be very considerable thought given to the fact any changes that take place will effect services received. That has to be acknowledged and understood. Councilor Dwyer agreed, and remarked, although he would not desire to, if the budget were to blow up, he would be prepared to make necessary reductions to keep homeowners reasonably economically sound.

Director Micali remarked, in past years, budget meetings have been conducted each Monday and Thursday in the month of January. Consideration is being given to condensing some of the information and bringing more departments forward for each meeting as a means of reducing the overall number of meetings. The intent would be to start meetings at 6:00 p.m. and end between 9:30 and 10:00 p.m. Town Manager Cabanel remarked her style is not to present to the Council what the department heads wish to have, her budget will be one that is very well considered and as frugal as possible while allowing capital projects to move forward.

Minutes

Approve the minutes from the following Town Council meetings:

May 17, 2013 – Long-Range Planning Session Summary Report

MOTION made by Councilor Mahon and seconded by Councilor Dwyer to approve the May 17, 2013 Long Range Planning Session Summary Report.

ON THE QUESTION

Councilor Koenig noted language included on page 8, under Quality of Life Issues, which states the Wright property is currently in the courts with a possibility for future rec. area. He questioned whether it was accurate to state the matter was in the courts at that time. Councilor Mahon explained the matter was in the courts seeking clarification and permission to undertake an action they had not felt was permitted under the provisions of the Will and the previous court decision.

Town Manager Cabanel remarked the court document gives more latitude than one might expect. For instance, it allows for an elderly development on a certain portion of the property, but states a portion of the proceeds of the sale of the property must go into meeting Reverend Wright's desires stated in his Will with regard to the other parcel. The question arose of the meaning of a portion and, if fields are to be constructed, who would be responsible their maintenance, etc.

MOTION CARRIED

6-0-1

Councilor Boyd Abstained

September 26, 2013

MOTION made by Councilor Boyd and seconded by Councilor Yakuboff to approve the minutes of the September 26, 2013 Town Council Meeting with modifications

The following amendments were offered:

Page 5, Line 2; the vote should indicate Councilors Mahon and Yakuboff voted in opposition.
Page 11, Line 20; as Councilor Boyd voted in opposition, the vote should be listed as 6-1-0.

MOTION CARRIED 7-0-0

Comments from the Press - None

Comments from the Public - None

Comments from the Council

Councilor Boyd spoke of the Merrimack Firefighters Local 2904, 5K Road Race conducted on Saturday. He congratulated Mark Bickford and the rest of the firefighters for putting on a class event. He expressed special thanks to Nanocomp for their second year as a prime sponsor of the race.

Councilor Boyd expressed his gratitude to Councilor Dwyer, Dave McCray, David Shaw, Mike Malzone, and the rest of the Business Expo crew for a great event. He commented the Merrimack Rocks event was second to none. He spoke of how he enjoyed the Clydesdales being part of the event, and of the professionalism of the Anheuser Busch employees. He thanked Budweiser and Anheuser Busch for the long-standing partnership they have had in the community.

Vice Chairman Yakuboff thanked staff for all of their efforts. He specifically thanked Kristin Wardner for not only taking on her normal duties, but for also filling in for Becky Thompson who is out on maternity leave. He thanked Dave McCray and staff for their efforts with regard to the Business Expo. and Merrimack Rocks. He remarked the fireworks display was outrageous.

Councilor Dwyer thanked the school district for their cooperation with the Business Expo. He remarked it was likely one of the best years ever, which was a comment received from many of the vendors. He suggested Watson Park to be a new location for firework displays. He spoke of the atmosphere created by people sitting on the lawn enjoying the fireworks and the amount of space available. He spoke of the class of fireworks, which were chosen due to the reduced height, and were at a cost much lower than those used during 4th of July celebrations. He commented on the minimal effort required for cleanup on Sunday morning, which he stated to be an amazing testimony to the people who came, took pride in the park, and kept it clean.

Chairman Rothhaus congratulated his parents on their 60th Wedding Anniversary.

MOTION made by Councilor Mahon and seconded by Councilor Yakuboff to adjourn the meeting. MOTION CARRIED 7-0-0

The October 10, 2013 meeting of the Town Council was adjourned at 10:09 p.m.

Submitted by Dawn MacMillan